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SUBJECT: A/S FRIED'S MEETING WITH DFM KARASIN: ESTONIA,

GEORGIA

Classified By: DCM Daniel A. Russell, Reason: 1.4 (b, d)

Summary

11. (C) EUR A/S Fried and Russian DFM Karasin's May 15 discussion focused on Estonia and Georgia. Fried assured Karasin that the U.S. supports the independence and sovereignty of Russia's neighbors and their freedom from a Russian sphere of influence -- but also urges them to develop good relations with Russia. Issues such as World War II monuments are emotional on both sides; both Russia and its neighbors must take these emotions into account. Karasin viewed the situation in South Ossetia (Georgia) as alarming. He said the Sanakoyev "alternative government" is creating nervousness in South Ossetia that has led to ill-considered actions. Fried replied that political steps cannot justify violence. Fried believed that recent prisoner releases in Abkhazia have set the stage for further progress. Karasin said one Abkhaz prisoner remains unaccounted for. Karasin said talks with the Georgians will continue; if Saakashvili attends the June 9-10 CIS Summit he will get a meeting with Putin (unless he makes that a condition of his attendance). Karasin briefly raised the possibility of a statement by the two presidents on Nagorno-Karabakh at the G-8 Summit and the Russian candidate for OSCE Head of Mission in Armenia. End Summary.

Russia and Its Neighbors

- 12. (C) EUR A/S Daniel Fried met with Russian DFM Grigoriy Karasin for one and a half hours May 15. Fried led off by describing the Secretary's constructive approach to Russian-U.S. relations. Karasin complained of U.S. actions on missile defense and a statement by a U.S. official in opposition to Putin's recently-concluded deal for Central Asian oil. He complained that U.S. and EU statements on Estonia would not lead to a "positive atmosphere," though he admitted that Russia's actions were not "elegant."
- ¶3. (C) Fried replied that we view Russia as a partner on our most vital issues, though the partnership is not living up to its potential. We do have difficulties with Russia over its relations with its neighbors and differences over certain internal developments. We start off from the position that the neighbors are truly independent and sovereign, and not part of a Russian sphere of influence. At the same time, they need to develop good relations with Russia and not provoke it. Estonia's actions in removing the Soviet WWII memorial were not wise, and we told the Estonians so. We made the statements to which Karasin objected after Russian mobs over-reacted. On gas pipelines, Fried reiterated that we favor a diversity of routes to take Central Asian oil and gas to market both through Russia and outside it.

- ¶4. (C) Karasin stressed the depth of Russian feeling about World War II, and said that monuments are symbols for these feelings, just as flags are for national sentiment. Fried agreed, but reiterated that Estonians, Poles and Ukrainians (Western, especially) also have deep feelings about World War II, and they are very different feelings, though equally based on real events. The Russians need to understand this.
- 15. (C) Karasin said the partnership of which Fried spoke must be based on equality and mutual respect; these do not appear in some American rhetoric. Fried replied that we see most of the sharp language coming from the Russian side. The Secretary and Defense Secretary Gates have both taken a

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positive tone, and Fried had tried to do likewise in his recent speech in Berlin.

South Ossetia

- 16. (C) Fried asked for Karasin's views on South Ossetia, pressing the Russians to ensure that monitors reach the village of Avnevi, where recent incidents started. Karasin was unaware that monitors had not been there and said he would look into it. Fried noted a recent Russian statement critical of South Ossetian misdeeds, and we appreciate that objectivity. He reminded Karasin that the U.S. consistently warns Georgia against military adventurism under any circumstances, and noted that Georgia "says the right things" in reply and have been doing the right things.
- 17. (C) Karasin said the situation in South Ossetia is alarming. The Ossetians are nervous about the Sanakoyev government and are taking steps that are "not well thought out." Karasin recounted the May 7 standoff between South Ossetians and Russian and OSCE monitors, in which Ossetian

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forces fired in the air to prevent the monitors from confiscating illegal anti-aircraft weapons. Subsequently, Kokoity declared a blockade of Georgian enclaves and demanded the liquidation of the Sanakoyev regime and an end to the Georgian passport checks on the Trans-Caucasus Highway. Russia urged restraint on both Kokoity and the Georgians. Ambassador-at-Large Popov left for Georgia May 15 to calm the situation.

- 18. (C) Fried responded that Karasin may be right analytically that nervousness over the Sanakoyev government led to the South Ossetian reaction. However, whatever Georgia has done, and there was also something that could be said in defense of Georgia's support for Sanakoyev, resorting to violence is not justified. It was wrong when Georgia did it; it is wrong when South Ossetia does it. Georgia is acting more constructively than it was one or two years ago. It is taking political steps, not military. Russia may not like the political steps, but it is better that they are political, not military. Fried said that the recent incidents show that there must be a permanent JPKF post at Didi Gupta to keep heavy weapons out of the hands of the South Ossetians. Karasin praised the leadership of the JPKF as serious, responsible and impartial.
- 19. (C) Karasin raised the recent Russian assistance delegation to South Ossetia led by DPM Bukayev. Russia wants to intensify the social rehabilitation of the area. Experts in transport, health and construction were on the delegation, as was Ambassador Popov. Russia will not channel its aid through the OSCE, because it wants to avoid spending money on unneeded projects. But Russia wants to be transparent. The delegation invited Georgian officials to join it, so they could see exactly what projects Russia had in mind. Regrettably, the Georgians refused. Fried was glad to hear the Russian desire for transparency. He hoped the Russians will work with the Georgians, not just provide direct support

for Kokoity. Economic development must be in ways acceptable to all sides.

Abkhazia

- 110. (C) Fried said we were encouraged by UNSCR 1752 and by the reciprocal releases of hostages. 1752 should provide the basis for moving forward, and this could be discussed at a "Geneva-style" meeting in New York with the participation of Abkhaz "FM" Shamba. The U.S. is finalizing a package of proposals. They will include ways to reduce tensions in Gali, secure agreement on a package providing for IDP return and commitments not to use force, ways to combat criminality, and ways to address the human rights situation, including in Gali. Accomplishing these steps will require the U.S. and Russia to cooperate.
- 111. (C) With regard to the hostage releases, Karasin explained that the Georgians had freed one hostage -- Chakaberia -- but not the other, Sigua. Karasin met with Bagapsh after Chakaberia's release and asked him to release at least one of the Georgian students the Abkhaz were holding. Bagapsh had released all three on the basis of what he understood to be Georgian commitments -- commitments Georgia did not fulfill. Instead, Saakashvili was publicizing his accomplishment in getting the Georgian students freed. Sigua must be found. Measures must be taken to restore confidence. Fried said he did not know what promises Georgia may have made on Sigua, but they needed to be fulfilled.
- 112. (C) Karasin concluded the discussion of the frozen conflicts with two points. First, the sides need to meet. The South Ossetians and Georgians need to talk in the context of the Joint Coordination Council. The Abkhaz and Georgians need to talk directly. Second, the "puffing up" of Sanakoyev is not just political; it goes hand in hand with preparations for action by "Georgia's military machine." There is danger in the logic of military actions. Georgia needs to end its preparations for conflict. Fried agreed that the danger of conflict exists. Instead of waiting passively for the next crisis, we should put the peace processes on a good course. Direct talks between the Georgians and Abkhaz and Georgians and South Ossetians are important. Fried agreed that rhetoric must be toned down. The Georgian Ministry of Internal Affairs needs to act responsibly. The Georgians should adhere to the 1994 Moscow Agreement's provisions on Kodori, and should be transparent to UNOMIG.

Russia-Georgia

113. (C) Karasin said he had spoken at length with Georgian

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Parliament Speaker Nino Burjanadze, who led Georgia's delegation to Yeltsin's funeral. He complained to her of continued insulting rhetoric. Georgia's Minister of Internal Affairs has become the most "disturbing" member of the Georgian government. Georgians should not stubbornly stick to an anti-Russian line; the two countries are neighbors, after all.

- 114. (C) Contacts continue, Karasin said. Georgian DFM Manjgaladze is coming soon. Preparations are under way for a Putin-Saakashvili meeting on the margins of the June 9-10 CIS Economic Summit in St. Petersburg. Karasin explained to Burjanadze that Saakashvili should not condition his willingness to attend the summit on getting a meeting with Putin. Rather, Saakashvili should just signal his attendance and, Karasin assured Burjanadze, he would get his meeting.
- $\underline{\P}15$. (C) Ultimately, Karasin said, everything depends on Georgia's willingness to take visible steps to normalize relations. Fried replied that normalization also means

reopening the border that Russia has closed; re-starting direct air links that Russia has grounded; and ending the Russian bans on imports of agricultural goods, wine and mineral water. Fried was glad Saakashvili is coming; there is much to discuss.

Nagorno-Karabakh

116. (C) Karasin noted that there are many meetings on NK, but they did not appear likely to lead to a breakthrough this year. He asked Fried whether the mediators should think of a joint effort -- such as an appeal by the Presidents on the margins of the G-8 meeting. This could have its downside if the sides failed to move. Fried said he would discuss the issue with our negotiator, EUR DAS Matt Bryza. The G-8

Foreign Ministers are meeting before the summit; that might

OSCE Mission in Armenia

also provide a venue for action on NK.

117. (C) Karasin asked for Fried's support for the Russian candidate to be OSCE Head of Mission in Yerevan. The incumbent, whose term is up, is a Russian and has done a good job. A Russian, Sergey Kapinos, should replace him. Fried agreed to look at the suggestion.

118. (U) Assistant Secretary Fried has cleared this message.

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